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**FIRE PROTECTION DISTRICT NO. 7**

**OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Annual Component Unit Financial Statements  
with Independent Auditors' Report**

**and**

**Report on Internal Control and Compliance and  
Other Matters**

**For the Year Ended September 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/15/09

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## FINANCIAL INFORMATION SECTION



## INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Fire Protection District No. 7 of the Parish  
of St. Mary, State of Louisiana  
Bayou Vista, Louisiana

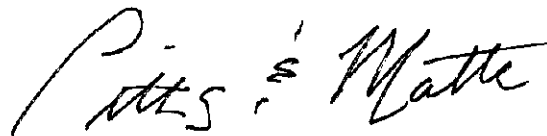
We have audited the accompanying financial statements of the governmental activities, and each major fund of Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana, a component unit of St. Mary Parish, as of September 30, 2008 and for the period ended October 27, 2007 through September 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana, as of September 30, 2008, and the respective changes in financial position thereof, and for the period October 27, 2007 through September 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

The District has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated March 30, 2009 on our consideration of Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

A handwritten signature in black ink, reading "Pitts & Matte". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2009  
Morgan City, Louisiana

FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

Statement of Net Assets  
September 30, 2008

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 170,004
Total current assets	<u>170,004</u>
Capital Assets	
Equipment, net of accumulated depreciation of \$398	1,302
Deposit toward purchase of equipment	575,963
Capitalized interest on purchase of equipment	<u>7,600</u>
Total net capital assets	<u>584,865</u>
 Total assets	 <u>\$ 754,869</u>
LIABILITIES AND NET ASSETS (DEFICIT)	
Liabilities	
Current liabilities	
Accrued interest payable	\$ 9,900
Current portion of long-term debt	<u>35,000</u>
Total current liabilities	<u>44,900</u>
Noncurrent liabilities	
Long-term debt	<u>715,000</u>
Net assets (deficit)	
Invested in capital assets, net of related debt	(229)
Restricted for debt service	(8,995)
Unrestricted	<u>4,193</u>
Total net assets (deficit)	<u>(5,331)</u>
 Total liabilities and net assets	 <u>\$ 754,869</u>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Statement of Activities  
For the Period Ended September 30, 2008**

	<u>Total</u>
<u>Expenses</u>	
Professional services	\$ 49
Advertising	2,236
Office	163
Miscellaneous	375
Election Expense	6,566
Depreciation expense	398
Interest	2,300
Total program expenses	<u>12,087</u>
<u>Program revenues</u>	
St. Mary Parish Council grant	<u>6,000</u>
Total program revenues	<u>6,000</u>
Net program (expense)	<u>(6,087)</u>
<u>General revenues</u>	
Investment income	<u>1,056</u>
Total general revenues	<u>1,056</u>
Change in net assets	(5,031)
Net assets - beginning of period	<u>-</u>
Net assets - end of period	<u>\$ (5,031)</u>

The accompanying notes are an integral part of these financial statements.

**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Balance Sheet  
Governmental Funds  
September 30, 2008**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,909		\$ 167,095	\$ 170,004
Due from General Fund		\$ 905		905
Due from Capital Projects Fund	<u>2,189</u>			<u>2,189</u>
Total assets	<u>\$ 5,098</u>	<u>\$ 905</u>	<u>\$ 167,095</u>	<u>\$ 173,098</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to General Fund			2,189	2,189
Due to Debt Service Fund	<u>905</u>			<u>905</u>
Total liabilities	<u>905</u>	<u>-</u>	<u>2,189</u>	<u>3,094</u>
Fund balances:				
Reserved for debt service		905		905
Reserved for capital improvements			164,906	164,906
Unreserved/undesignated	<u>4,193</u>	<u>-</u>	<u>-</u>	<u>4,193</u>
Total fund balances	<u>4,193</u>	<u>905</u>	<u>164,906</u>	<u>170,004</u>
Total liabilities and fund balances	<u>\$ 5,098</u>	<u>\$ 905</u>	<u>\$ 167,095</u>	<u>\$ 173,098</u>



Reconciliation of the total fund balance -- total governmental funds  
to the nets assets of governmental activities:

Total fund balance - Governmental Funds	\$	170,004
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Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	584,865
--	---------

Interest payable on long-term debt does not require current financial resources, and, therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(9,900)
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Noncurrent liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet

Current portion of long-term debt	\$35,000	
Noncurrent portion of long-term debt	<u>715,000</u>	<u>(750,000)</u>

Net assets (deficit) of governmental activities	\$	<u>(5,031)</u>
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**FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Period Ended September 30, 2008**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Grant St. Mary Parish Council	\$ 6,000			\$ 6,000
Investment income	55	\$ 905	\$ 95	1,056
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	6,056	905	95	7,056
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Expenditures</u>				
Current:				
Professional services			49	49
Election Expense			6,566	6,566
Advertising			2,236	2,236
Office	163			163
Miscellaneous			375	375
Capital outlay	1,700	-	575,963	577,663
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,863	-	585,189	587,052
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	4,193	905	(585,094)	(579,996)
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Other financing sources</u>				
Proceeds from bonds	-	-	750,000	750,000
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	4,193	905	164,906	170,004
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, beginning of period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of period	\$ 4,193	\$ 905	\$ 164,906	\$ 170,004
	<hr/>	<hr/>	<hr/>	<hr/>

Reconciliation of the changes in fund balances - total governmental funds to the change in net assets of governmental activities:

Net change in fund balance - Governmental Funds \$ 170,004

Amounts reported for governmental activities in the Statement of Activities are different because:

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases noncurrent liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments. (750,000)

Governmental funds report capital outlay expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation 584,865

Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds:  
Interest (9,900)

Change in net assets of governmental activities \$ (5,031)

The accompanying notes are an integral part of these financial statements.

FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF  
ST. MARY, STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 7 (the District) of the Parish of St. Mary, State of Louisiana, was created by Ordinance No. 1008 of the St. Mary Parish Council on May 27, 1987. Active operations of the District began on October 24, 2007, therefore the financial statements cover the period beginning on that date and ending on September 30, 2008. The District encompasses the area of the Parish known as Bayou Vista. The purpose of the District is to provide fire prevention, fire protection, medical assistance, and extrication rescue. The District's firefighters are volunteers of the Bayou Vista Volunteer Fire Department.

The financial statements of Fire Protection District No. 7 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District has not presented Management's Discussion and Analysis (MD & A) that GASB has determined is necessary to supplement although not required to be part of, the basic financial statements.

A. Reporting Entity

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

Based upon the above criteria, the District is a component unit and integral part of the St. Mary Parish Council (the primary government).

These financial statements include only the operations of the District.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### B. Basic Financial Statements - Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities which report all activities of the District as a whole. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

### C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following is a description of the funds utilized by the District.

#### Governmental Funds

The District considers all three of its governmental funds to be major funds.

##### General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in other funds.

##### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

##### Capital Projects Fund

The Construction Fund, a capital projects fund, is used to account for financial resources to be used for the acquisition or construction of major facilities for the District.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### D. Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Government-wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities (whether current or noncurrent) are included on the statement of net assets and the statement of activities presents increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

#### Fund Financial Statements

Governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the District uses a thirty day period after year end).

### E. Revenues

The following is a summary of the District's recognition policies for its major revenue sources:

Interest earnings are generally recorded when earned.

Substantially all other revenues are recorded when received.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### F. Expenses/Expenditures

The government-wide financial statements recognize expenses under the accrual basis of accounting and records the related liability at the time the expense is incurred.

In the fund financial statements, expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on long-term debt which is not recognized until due.

### G. Budgets

The District did not adopt a General Fund budget because the activity in the general fund was minimal. The District is not required and does not adopt budgets for its Debt Service Fund and Capital Projects Fund. For these reasons, the financial statements do not contain a budget to actual comparisons.

### H. Cash and Cash Equivalents

#### Cash and Cash Equivalents

For financial statement purposes, cash and cash equivalents include bank deposits and/or certificates of deposit with original maturities of less than three months.

### I. Fixed Assets

The accounting treatment over property, plant, equipment (fixed assets) depends on whether they are reported in the government-wide or fund financial statements.

#### Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Costs include all auxiliary costs to place the assets in service including delivery fees, freight and capitalized interest costs. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The following is a summary of estimated useful lives by classification of the fixed assets:

<u>Category</u>	<u>Years</u>
Equipment	3

### Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operation are accounted for as capital outlay expenditures of the governmental fund when payment is made.

### J. Long-term Debt

### Government-wide Financial Statements

In the government-wide financial statements, all long-term debt is reported as a liability. The long-term debt of the District consists of bonds payable.

### Fund Financial Statements

Long-term debt for governmental funds is not reported as liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

### K. Equity Classifications

### Government-wide Statements

Equity is classified as net assets and displayed in the three components:

- a) Invested in capital assets, net of related debt - Consists of capital assets and deposits set aside to purchase capital assets net of accumulated depreciation and reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

## NOTE 2 - CASH AND CASH EQUIVALENTS

The District does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition the District does not have a formal investment policy related to credit risk (including concentrations of credit). However the District does follow state law as to limitations on types of deposits and investments as described below.

The District does not invest in any investments subject to foreign currency risk.

Under state law the District may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

At year end, the carrying amount of the District's cash and bank balance was \$170,004. All of the bank balance was covered by federal depository insurance.

## NOTE 3 - TAXES

For future years, the District's property tax will be levied in October of each year on the assessed value of property within the District's taxing area. Taxes are due and payable by December 31 and taxes are considered delinquent January 1. Notices regarding seizures are sent out in April with the seizure date being May 1. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. The District actually receives most of the taxes in January.

No taxes were levied by the District for the period ended September 30, 2008, as this is the District's initial year of operation.

#### Note 4 - FIXED ASSETS

Capital assets activity for the period ended September 30, 2008 is as follows:

	<u>Balance</u> <u>10/24/07</u>	<u>Additions</u>	<u>Balance</u> <u>9/30/08</u>
Capital assets			
Equipment	--	\$1,700	\$1,700
Total capital assets at historical cost	--	<u>1,700</u>	<u>1,700</u>
Less accumulated depreciation for:			
Equipment	--	<u>398</u>	<u>398</u>
Total accumulated depreciation	--	<u>398</u>	<u>398</u>
Total capital assets, net	--	<u>\$1,302</u>	<u>\$1,302</u>

#### NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the period ended September 30, 2008:

Balance at October 24, 2007	--
Additions	<u>\$750,000</u>
Balance at September 30, 2008	<u>\$750,000</u>

Obligations payable at September 30, 2008, are as follows:

##### General Obligation Bonds

\$750,000 of General Obligation Bonds were issued on June 1, 2008, for the purpose of acquiring, constructing and improving fire protection facilities and equipment, including purchasing and equipping a ladder truck. The bonds bear interest at rates of 3.95 percent and are payable through the year 2023. The bonds are to be retired with ad valorem taxes by the Debt Service Fund.

\$750,000

#### NOTE 5 - LONG-TERM DEBT (continued)

The following is an approximation of future debt requirements at September 30, 2008:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 35,000	\$ 36,340	\$ 71,340
2010	35,000	27,551	62,551
2011	40,000	26,070	66,070
2012	40,000	24,490	64,490
2013	40,000	22,910	62,910
2014-2018	245,000	87,394	332,394
2019-2023	<u>315,000</u>	<u>32,489</u>	<u>347,489</u>
	<u>\$ 750,000</u>	<u>\$257,244</u>	<u>\$ 1,007,244</u>

The District is subject to certain affirmative and negative covenants pursuant to its bond and debt agreements. The covenants include but are not limited to:

1. Establishment and funding of certain debt service funds.
2. Restriction as to additional debt issuance.

#### NOTE 6 - COMPENSATION OF BOARD MEMBERS

Board members did not receive any per diems for the period ended September 30, 2008.

#### NOTE 7 - COMMITMENTS AND CONTINGENCIES

In June 2008, the District contracted for the purchase of a new ladder truck for approximately \$575,000. The truck was delivered subsequent to year end, therefore, the expenditure made in June is recorded as a deposit toward the purchase of equipment.

In addition the District has available approximately \$165,000 of funds for purchase of additional capital assets.

#### NOTE 8 - RELATED PARTIES

The District received \$6,000 from the St. Mary Parish Council as initial start-up costs in the period September 30, 2008.

INTERNAL ACCOUNTING CONTROL  
AND COMPLIANCE AND OTHER MATTERS



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Fire Protection District No. 7 of the  
Parish of St. Mary,  
State of Louisiana  
Bayou Vista, Louisiana

We have audited the accompanying financial statements of the governmental activities, and each major fund of Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana, as of September 30, 2008 and for the period October 27, 2007 through September 30, 2008, which collectively comprise the Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana's basic financial statements and have issued our report thereon dated March 30, 2009, which contains an additional paragraph. The additional paragraph notes that management elected to omit Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana's internal control over financial reporting a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana's internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Fire Protection District No. 7 of the Parish of St. Mary, State of Louisiana's internal control.

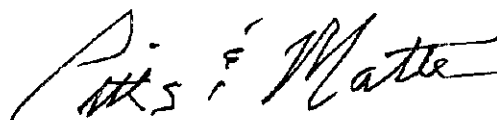
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting that we considered to be a material weakness, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fire Protection District No. 7 of the parish of St. Mary, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and , accordingly, we do not express such an opinion. The results of our test disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 2008-1.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express on opinion on it.

This report is intended solely for the use of the management of the District, the Legislative Auditor of the State of Louisiana and the Finance Committee of the St. Mary Parish Council, and is not intended to be and should not be used by anyone other than these specified parties. However under Louisiana Revised Statue 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.

A handwritten signature in black ink, appearing to read "P. J. Matte". The signature is fluid and cursive, with a long horizontal line extending from the end.

CERTIFIED PUBLIC ACCOUNTANTS

March 30, 2009  
Morgan City, Louisiana

FIRE PROTECTION DISTRICT NO. 7 OF THE PARISH OF ST. MARY  
STATE OF LOUISIANA

Schedule of Findings, Questioned Costs, and Federal Awards  
For the Period Ended September 30, 2008

A. SUMMARY OF AUDIT FINDINGS

1. The auditors' report expressed an unqualified opinion on the financial statements of the Fire Protection District No. 7 of the Parish of St. Mary.

2. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control Over Financial Reporting

No findings were required to be reported for the period ended September 30, 2008.

Compliance and Other Matters

There was one material instance of noncompliance noted during the audit of the financial statements.

3. Federal Awards

This section is not applicable for the period ended September 30, 2008.

4. Management Letter

No letter was issued.

## B. FINDINGS FINANCIAL STATEMENT AUDIT

### NONCOMPLIANCE

#### ITEM NO. 2008-1 MINUTES OF MEETINGS

##### Auditors' Comments

Condition: During the course of the audit, we were advised that the District's board of commissioners held several meetings. We found that the District did not maintain written minutes for some of its meetings. In addition, the District failed to publish its minutes in its official journal (local newspaper) for several meetings. Note that minutes and publications related to the issuance of debt and purchase the fire truck were properly published.

Criteria: State law requires that all public bodies maintain written minutes of all their public meetings. Further that the minutes be published in the government's official journal.

Effect: Failure to properly maintain and publish minutes is a violation of law. In addition, *board approved actions not properly documented can be subject to challenge and possibly overturned.*

Cause: Although the cause of the above condition could not be fully determined, the illness of a family member of the board's former secretary appears to have a significant effect.

Recommendation: The District should maintain written minutes for all meetings. These meetings should be published in the District's official journal.

Management's Response: In the future, the District will prepare and maintain written minutes of all its meetings. The District will also publish all minutes in the official journal.

## C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS

This section is not applicable for the period ended September 30, 2008.



SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION  
PREPARED BY FIRE PROTECTION DISTRICT NO. 7 OF ST. MARY PARISH

NOT APPLICABLE INITIAL YEAR OF OPERATIONS

# Fire Protection District No. 7

of the Parish of St. Mary

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March 30, 2009

Mr. Steve Theriot, CPA  
Legislative Auditor, State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

The Fire Protection District No. 7 of the Parish of St. Mary respectfully submits the following corrective action plan for the period ended September 30, 2008:

Person Responsible: Claude Roberts, Jr.

Time for completion: September 2009

Item 2008-1 Minutes of Meetings

Finding:

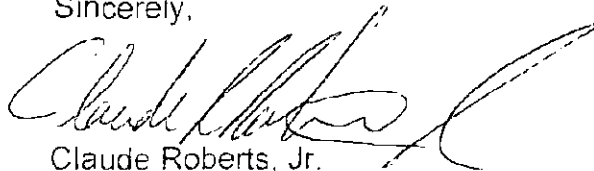
Our auditors noted that we did not maintain written minutes for some of our meetings. Also that we did not publish some of our minutes in our official journal.

Corrective Action:

In the future, we will maintain written minutes for all of our meetings and publish the minutes in the official journal.

If you have any questions concerning the corrective action plan, please contact me.

Sincerely,



Claude Roberts, Jr.